



State Capitol | Lansing, Michigan 48913

PH (517) 373.1758 | FAX (517) 373.0938

www.senate.michigan.gov/gop/senator/cassis/

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Contact: Kerry Krone
517-373-1758

Senate Finance Committee hears testimony on governor's proposal to replace the Single Business Tax

LANSING—The Senate Finance Committee took testimony today from state Treasurer Robert Kleine on the governor's proposal to replace Michigan's Single Business Tax, which expires at the end of next year.

In her statement to open the hearing, Committee Chair Sen. Nancy Cassis expressed optimism that an agreement on a replacement plan could be reached.

"Today we open this session with open minds and much courage," said Cassis, R-Novi. "We welcome a serious, genuine proposal to reform administrative business taxes and the opportunity for timely debate and discussion. This committee will work diligently, cooperatively and along non-partisan lines."

Cassis said the committee needs some time to review the governor's proposal and hear feedback on it from the business community. The plan was announced at a press conference earlier today.

"Like the media and the business community, our committee first heard the overview of this proposal a few short hours ago," said Cassis, R-Novi. "I commend Treasurer Klein for his able job explaining the plan to us; now it's the committee's job to sit down and give it a more thorough review."

Cassis' initial impression is that at least some elements of the governor's plan seem to make good sense, she said.

"The Senate and the governor now have a clearer understanding of where we want to be. I think this committee can agree we'd like to see more of a reduction in personal property taxes. It's also good that this is a broad-based plan. While the focus is on tax reform, I would add that it is intimately tied to spending reform. Briefly, this means putting government on a diet and trimming nonessentials.

(more)

“As for the governor calling on an agreement to be finalized before the end of the year, I’d say that’s an admirable goal. It is our intent to proceed in a timely fashion while being prudent, deliberative, and focused on results that will foster Michigan’s economic and fiscal vitality.”

Cassis applauded Treasurer Kleine for his cooperation in working with the committee.

“We benefit by a positive spirit of collaboration and cooperation, which helps us all do our solemn duty on behalf of the citizens of Michigan. We know the governor is prepared and has a lot of courage and will work with us. I look forward to hearing further testimony on Monday.”

The Joint Select Committee on Economic Growth is scheduled to meet on Monday to hear testimony on the SBT replacement plans of some other organizations, said Cassis, who co-chairs the bipartisan, House-Senate committee. Treasurer Kleine has tentatively agreed to testify at that meeting. Others scheduled to testify are the Michigan Chamber of Commerce, the Detroit Regional Chamber, the Grand Rapids Area Chamber of Commerce, Hillsdale College economics professor Dr. Gary Wolfram, and a representative from the group Fair Tax. The Joint Select Committee on Economic Growth was formed last spring to study options for replacing the Single Business Tax and offer any replacement recommendations to the Legislature.

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